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2 Honorable Thomas S. Zilly
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4 Judge Mary Alice Theiler
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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

9 VALVE CORPORATION, a Washington
10 corporation,

11 Plaintiff,

12 v.

13 SIERRA ENTERTAINMENT, INC. (AKA
14 SIERRA ON-LINE, INC.), a Delaware
15 Corporation; VIVENDI UNIVERSAL
GAMES, INC., a Delaware Corporation; and
VIVENDI UNIVERSAL, S.A., A French
foreign corporation,

16 Defendants.

17 SIERRA ENTERTAINMENT, INC. (AKA
18 SIERRA ON LINE, INC., a Delaware
19 corporation; and VIVENDI UNIVERSAL
GAMES, INC., a Delaware corporation,

20 Counter-Claimants,

21 v.

22 VALVE CORPORATION, a Washington
23 Corporation, GABE NEWELL and LISA
24 MENNET NEWELL, husband and wife, and
the marital community composed thereof;
and SCOTT LYNCH and JULIE LYNCH,
husband and wife, and the marital community
composed thereof,

26 Counterclaim Defendants.

DECLARATION OF MICHAEL
DUNKLE - 1
C 02-1683Z

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PRESTON GATES & ELLIS LLP
925 FOURTH AVENUE
SUITE 2900
SEATTLE, WASHINGTON 98104-1158
TELEPHONE: (206) 623-7580
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2 H. Michael Dunkle hereby declares as follows:

3 1. I am over the age of eighteen years and I am competent to make this
4 declaration. I make this declaration based on my own personal knowledge.

5 2. I am employed by Valve Corporation ("Valve") and have been since November
6 12, 2000. I am the Director of Valve's cybercafé program, and have held this position for
7 over two years. Valve's cybercafé program involves licensing Valve's games and other
8 software to cybercafés for commercial use on a pay-for-play basis. My duties include overall
9 management and administration of Valve's cybercafé program, determining and
10 implementing the technical requirements of the distribution software used when licensing
11 cybercafés, promoting and marketing our programs, customer relations and advertising.

12 3. I am very familiar with the worldwide cybercafé market. Valve's game,
13 Counter-Strike, is one of the most popular cybercafé games in the world.

14 4. As a means of boosting the sale of less popular, non-Valve titles, Vivendi often
15 requires cybercafés to license a bundle of non-Valve games in order to get Counter-Strike.
16 Vivendi, at times, will price the non-Valve games at a higher rate than that of Counter-Strike,
17 thereby increasing its own profits at Valve's expense. Valve has become aware of this
18 activity by Vivendi, in part through communications directly from cybercafés to Valve.

19 5. On September 20, 2004, Valve received an email from Dinko Georgiev, an
20 owner of a cybercafé in Bulgaria, stating that Vivendi would only allow it to obtain a
21 commercial license for Counter-Strike if it also purchased a package of non-Valve games. A
22 true and correct copy of this email is attached at pp. 5-6.

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DECLARATION OF MICHAEL
DUNKLE - 2
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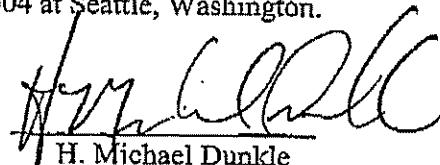
SEP-21-2004 04:53PM FROM-VALVE CORP

425-889-9642

T-485 P 004/005 F-724

1 I declare under penalty of perjury that the foregoing is true and correct.
2

3 EXECUTED this 21st day of September, 2004 at Seattle, Washington.
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6 H. Michael Dunkle

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DECLARATION OF MICHAEL
DUNKLE - 3
C 02-1683Z

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CERTIFICATE OF ELECTRONIC SERVICE

I hereby certify that on September 21, 2004, I electronically filed the foregoing with the clerk of the Court using the CM/ECF system, which will send notification of such filing to the following,

Annette Hurst/Sarah King/Linda Q.
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/s/ Jason P. Holtman
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DECLARATION OF MICHAEL
DUNKLE - 4
C 02-1683Z

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Boraas, Kristin (SEA)

From: Holtman, Jason (SEA)
Sent: Monday, September 20, 2004 12:27 PM
To: Tessier, Dennis (SEA)
Cc: Quackenbush, Karl (SEA); Boraas, Kristin (SEA); Rosenfield, Kevin (SEA)
Subject: FW: Bulgarian Internet Cafe

From: Julie Caldwell [mailto:Julie@valvesoftware.com] **On Behalf Of** CyberCafes
Sent: Monday, September 20, 2004 12:09 PM
To: Holtman, Jason (SEA); Mike Dunkle; Scott Lynch
Subject: FW: Bulgarian Internet Cafe

From: Dinko Georgiev [mailto:skkb_ceo@yahoo.com]
Sent: Friday, September 17, 2004 6:19 AM
To: CyberCafes
Subject: Bulgarian Internet Cafe

Dear Sir / Madam,

I am a member of the Asociation of the Internet Cafes in Bulgaria. Our country is small (8 000 000 people) and not very well economically developed. For this reason there are a lot of Internet Cafes which offer chat, internet, games and films. At the moment there are about 2500 Internet cafes with approximately 25 000-30 000 PC units (computers) in Bulgaria. The number of members in our organization is about 450-500 owners of Internet Cafes which is about 5 000 PC units (computers). The basic turnover is make by offering games - 80%. The most popular game is Counter Strike 60%, Vice City 30% and new games 10%. Up to this moment Counter Strike is sold to the clubs by organizations which use forse, threat and blackmail. The representativ of Vivendi in Bulgaria is Pulsar (at least they say so).

If we want to use Counter Strike we must buy a package of games of Vivendi, which we don't want. Besides we must buy new games from Vivendi that we don't want on every three months. The worst is that we must pay 426.00 leva /1.95 lev=1 Euro/ for one year. Also we can not buy games only for part of the PC units (computers), but we are obliged to buy games for all the computers in the Internet Cafe. The price of Half Life Generation is 73.00 leva and the price of Condition Zero is 77.00 leva. As you see it is not normal for a game which dates 5 years ago to cost as much as the new one. We are unable to play in world servers, which would be good for our turnover. We are forced to play in local pirate servers and for that service we have to pay 15\$ for a computer per month.

We have been told that Valve is independant company from Vivendi. Please submit information on how we would be able to use the game Counter strike legally, how we can use your servers and how we can pay for this. As the credit kards are not very popular in Bulgaria can we pay by bank?

Sincerely Yours

Dinko Georgiev

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Tired of spam? Yahoo! Mail has the best spam protection around

<http://mail.yahoo.com>